UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/1999/L.6
28 January 1999

ORIGINAL: ENGLISH

First regular session 1999
25-29 January 1999, New York
Item 4 of the provisional agenda
UNDP

Successor programming arrangements

The Executive Board

1. Takes note of the additional information on the review of the successor programming arrangements contained in document DP/1999/CRP.3;

2. Recalls that in its decision 98/19, the Executive Board, inter alia:

(a) Decided to apply the various financial planning parameters of decision 95/23 for the years 2000-2001, including the provisions of paragraph 25;

(b) Endorsed the proposed extension of the percentage earmarkings for programme resources set out in decision 95/23 with certain modifications from 2001 onwards (as specified in para. 4 of decision 98/19); and

(c) Reaffirmed the basic methodology for the distribution of resources as described in paragraphs 21-26 of decision 95/23 as the basis for calculating target for resource assignments from the core line 1.1.1 (TRAC-1) earmarkings for individual countries, as well as for overall TRAC allocations, with certain modifications from the year 2001 (as specified in para. 5 of decision 98/19);

3. Reaffirms, as basic principles for the allocation of programme resources: the focus on the low-income and least developed countries in accordance with decision 95/23; progressivity in favour of the low-income countries; and a gradual move to net contributor status and graduation for countries that achieve higher levels of gross national products;

4. Decides to use 1997 gross national product per capita and population data for the years 2001-2003;

[5. Decides to adjust the gross national product per capita breakpoint delineating the low- and middle-income countries from $750 to $900;]

6. Recognizes the important contribution that UNDP brings to supporting net contributor countries in their pursuit of the objectives of sustainable human development;

7. Decides that UNDP should consider net contributor countries as a separate group of programme countries outside the TRAC distribution model;

8. Endorses the proposal to eliminate the system of reimbursable TRAC earmarkings with effect from 2001, subject to the following provisions:

(a) First-time net contributor countries will continue to receive, for a grace period of three years, a TRAC-1 calculated at 60 per cent of the earmarking of the previous period;

(b) First-time net contributor countries will continue to benefit from the waiver of Government local office costs during the grace period of three years;

(c) After the grace period, reimbursement of the country office costs shall be ensured by the net contributor country through a flexible mix of instruments;

(d) UNDP must consult with Governments on costs associated with the UNDP local office structure;

(e) Whenever there should be a Resident Representative and a Deputy Resident Representative, UNDP should continue to cover the cost;

9. Also endorses the proposed establishment in all interested net contributor countries of a locally reimbursed revolving TRAC (LRRT), providing a flexible and responsive tool for UNDP support as follows:

(a) The initial outlay to the revolving fund in a new net contributor country in the three-year grace period will be funded from its TRAC-1 earmarking. For an existing net contributor country, the initial outlay will be funded by the net contributor country itself. Any outlays under the fund will be subsequently reimbursed from government or third-party cost-sharing contributions;

(b) The locally reimbursed revolving TRAC will be used as seed funding for the initiation of UNDP non-core development activities;

(c) The level and use of the funding will be discussed and agreed to at the country level;

(d) All UNDP rules, regulations and procedures will continue to apply, including the elaboration of a country cooperation framework for approval by the Executive Board;

[10. Requests UNDP, in consultation with current and future net contributor countries, to establish, on the basis of the provisions contained in paragraph 9 of the present decision, detailed guidelines on procedures that would apply to such arrangements for net contributor countries;

11. Decides to adjust the current gross national product per capita thresholds for net contributor countries from $4,700 to $4,000;

12. Requests the Administrator to proceed with the calculation of TRAC-1 earmarkings in accordance with the provisions of the present decision and on this basis to proceed with programme planning and implementation for the period 2001-2003;

13. Also requests the Administrator to submit to the Executive Board, at its annual session 2002, a report on possible improvements of the present TRAC resource distribution model, exploring, inter alia, the possibility of supplementing the gross national product per capita and population parameters with other relevant distribution parameters that reflect the mandate of UNDP.]